

UNITED STATES DEPARTMENT OF AGRICULTURE


Farm Service Agency
Washington, DC 20250

Notice LP-1691

For: State and County Offices

Required Repayment When Loan Quantities Are Delivered Under a CCC-681-1

Approved by: Deputy Administrator, Farm Programs



1 Overview

A

Background

Several inquiries have been received regarding the process for completing a loan repayment for quantities delivered to a buyer under the CCC-681-1 provisions.

B

Purpose

This notice reminds State and County Offices of the policy for marketing loan repayments under the CCC-681-1 provisions.

2 Marketing Loan Repayment Policy

A

Regulations

7 CFR, Part 1421.20 (b) provides in part that a producer may establish a marketing loan repayment rate under CCC-681-1. If a producer fails to repay a loan for the quantity delivered according to CCC-681-1, the producer may not repay the loan at the rate that is less than the loan rate.

Continued on the next page

Disposal Date

January 1, 2000

Distribution

State Offices; State Offices relay to County
Offices

2 Marketing Loan Repayment Policy (Continued)

B

Handbook

7-LP, subparagraph 922 D, provides that when a producer requests release of loan collateral for sale on CCC-681-1, CCC expects payment for **any** quantity delivered.

See 7-LP, paragraph 927, for action when payment is not received:

- on or before the CCC-681-1 expiration date
 - during the 15-calendar day grace period.
-

C

Repayment Rate

Producers are obligated to repay the loan for **any** quantity delivered during the delivery period authorized on CCC-681-1. This includes CCC-681-1's authorized with or without a locked in rate.

Any quantity delivered under CCC-681-1 **must** be repaid according to 7-LP, paragraph 926.

D

Transfers

Transfers from farm stored to warehouse stored loans are **not** authorized for quantities delivered during the authorized period of CCC-681-1.

Transfers are permitted for any quantity not delivered after CCC-681-1 has expired or the loan maturity date. Complete transfer requests according to 7-LP, Section 2.

E

CCC-691

Farm-stored settlements are not authorized for quantities delivered under CCC-681-1. Quantities **not** delivered may be authorized for delivery on CCC-691 after loan maturity according to 7-LP, Part 13.
